

HILLFARM OILS



Overview

This case study highlights how essential business listings with key retail customers can be retained and maximised by using cost-effective and innovative alternatives to price promotions. By avoiding over-reliance on price discounts, these novel approaches to stimulate purchase and drive customer loyalty, offer small suppliers a much more cost effective option. This enables smaller, artisanal and niche suppliers, such as Hillfarm Oils, to compete with larger brands in the supermarket sector.

The Company

With three generations of farming in a small, rural Suffolk village since 1967, the Fairs family became the first British producers of cold pressed rapeseed oil back in 2004. Hillfarm Oils boasts a commitment to 100% British-grown rapeseed which is pressed onsite in Suffolk in their solar-powered barn.



Producing superior quality products has bestowed Hillfarm a variety of Great Taste Awards, including for their core product Cold Pressed Rapeseed Oil, and also their Farmhouse and Garlic Mayonnaise and honey produced from the hives on the farm. The high quality oil is also used to produce hand lotion and soap.

Hillfarm Oils' products are sold throughout the UK in a variety of channels, including major retailers, local and independent farm shops, direct from the farm and through the e-commerce section of their website.

Insight

After securing national listings with three of the major multiples in 2006, Hillfarm Oils became drawn into a cycle of price promotion in order to maintain sales and retain listings. Business Manager, Lawrence Frohn was aware of the trap the business had fallen into and was keen to find alternative ways to raise awareness, encourage trial purchase and build customer loyalty.

"We were price-promoting quite heavily and on a regular basis because there was a lot of competition between brands on the supermarket shelf. The price promotions worked in the short term, boosting sales volume significantly, but as soon as the promotion ended sales dropped off sharply. This was creating pressure in the factory, accommodating the peaks, but the net benefit in the longer term was marginal and we needed to find an alternative strategy." Lawrence Frohn, Business Manager.

Average weekly bottle sales were approximately 10 times higher during promotional periods but entering into a 3 month cycle of reducing the price by a third was training shoppers to buy on promotion and thus devaluing the brand and not attracting loyal customers. In addition to this, the shopper insight report identified that half of Hillfarm Oils' shoppers are defined as "Finer Food Shoppers"—time conscious, enjoy luxury products and willing to experiment— but not particularly interested in price promotions.

Action

As an alternative to the traditional price promotion that Hillfarm Oils had been running, the Who Buys My Food team proposed the trial of a novel "Try Me Free" campaign, in partnership with Core2Store, who manage the process from start to finish. The method works on the premise that an eye-catching addition to the packaging will entice customers with the offer of a risk-free trial. Shoppers then purchase the item at full price and have the opportunity to claim a full refund online. Previous campaigns have seen sales increase by an average of 30% with a redemption rate of just 5%, giving an exceptional return on investment.

The trial was run over 5000 units which featured the bottle neck swinger, and were distributed to all of Hillfarm Oils' Tesco stores across the UK over a six week promotional period.

Outcome

The Try Me Free promotion proved to be an innovative way of attracting new shoppers, boosting sales and gathering invaluable shopper feedback without sacrificing margin or presenting a significant drain on Hillfarm Oil's limited marketing resources.

During the promotional period, 224 claims were recorded via the redemption site, at a total cost of approximately £950. During the six week promotional period, sales were uplifted by 10%. In addition to this, in the first week of the Try Me Free promotional activity, customer numbers increased by 46% and over the total promotional period, the proportion of Finer Food shoppers increased from 65% to 83% of total customers.

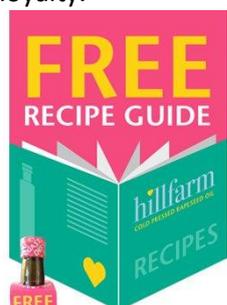
Further analysis of shopper behaviour revealed that a 10-fold increase in shoppers switching from other cold pressed rapeseed brands to Hillfarm Oil. So, the promotion not only attracted new shoppers to the range but prompted existing consumers to switch.

As part of the redemption process, shoppers are required to answer a few questions about their use of the product and reasons for purchase. The results from this highly targeted market research indicated that 67% of claimants were triallists of the Hillfarm brand. Claimed purchase of cooking oils was between 3 and 6 months and the majority of respondents claimed their cooking oil of choice was rapeseed or olive oil. This information was invaluable to Hillfarm Oil, as it helped them develop content for their website and newsletter. The latter has become an important part of the strategy for building a loyal customer base and in the 6 weeks following the promotion, subscriptions to the Hillfarm Oil newsletter increased by 16%.



Next Steps

The Try Me Free promotion not only provided an impressive return on investment (56%) but has provided further inspiration within a business that is constantly innovating and looking for new and better ways to raise brand awareness and build brand loyalty.



Promotional bottles now in-store!

Specifically, it highlighted the power of packaging and prompted Hillfarm Oil to develop eye catching modifications to the bottle and its appearance on the shelf. For example, a novel range of bottle tops have been introduced, emphasising the versatility of rapeseed oil – fry, bake, roast dress – and simple 'neck swingers' are used on a regular basis to communicate special offers, such as the free digital recipe book (see left). Aside from helping the brand to stand out on the shelf, these simple and cost-effective adaptations to packaging drive people to the Hillfarm Oil website and enable them to capture email addresses for newsletter signups and social media engagement, to further drive customer loyalty.

Lawrence Frohn and Hillfarm Oils have invested a great deal of time and effort engaging with the Who Buys My Food project in pursuit of new ideas and insights to help build their business. Support for student projects and pilot projects to test new ideas is on-going, so watch this space for further updates.

We acknowledge support from grant number ES/L011859/1, from The Business and Local Government Data Research Centre, funded by the Economic and Social Research Council to provide researchers and analysts with secure data services.

Published by Sophie Barnard, January 2018